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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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James Conlow

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EXAMINER

BASIT, ABDUL

ART UNIT

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3694

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/007,266	Applicant(s) CONLOW, JAMES	
	Examiner ABDUL BASIT	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 May 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11, 13, 15-17, 27, 31-47, 49-87 and 89-91 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-11, 13, 15-17, 27, 31-47, 49-87 and 89-91 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

All claims are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. According to *In re Bilski* 545 F.3d 943 (Fed. Cir. 2008), method claims and similar system claims require 1) a particular machine or apparatus or 2) transformation of a particular article to a different state or thing.

Additionally, the independent claims 1, 48 and 88 claim contractual relationships. Contracts are not patentable subject matter. The arguments presented by the Applicant discuss contractual agreements, which are not patentable. Thus, the arguments are moot.

Therefore, the claims have been interpreted in the best possible manner for the 35 U.S.C. 102 rejection, considering the improper contractual relationships that the Applicant is attempting to claim.

Claim Rejections - 35 USC § 102

1. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

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Claims 1-2, 5-13, 15-28, 30-39, 41, 47, 49-51, 53-56, 58, 60-65, 70-75, 78, 80-89 and 91-94 are rejected under 35 U.S.C. 102(b) as being anticipated by Crooks et al.

In reference to claims 1, 48 and 88, Crooks discloses

A system for direct presentment and payment of bills generated by business entities in a hierarchical business organization, the hierarchical business organization for performing a construction project, the hierarchical business organization having a superior tier and at least one subordinate tier, the superior tier having at least one paying entity, and each subordinate tier having one or more billing entities, the system using a computer that communicates over a network, the system comprising: one or more memories for storing a list of tasks, performance of each of said tasks adding value to the construction project for the paying entity, each of the one or more billing entities for performing at least one of said tasks, each said billing entity having no contractual privity with said paying entity, each said task to be performed by only an associated one of said one or more billing entities, said one or more memories capable of recording for each said task the identity of said associated billing entity, each task having a definition sufficiently clear that completion of said task can be inspected and completed performance verified by an authorizing entity other than the paying entity at least one paying entity node associated with the at least one paying entity, at least one billing entity node associated with the at least one billing entity, (*see col. 4, lines 4-18*)

one or more network interfaces for sending and receiving data to and from said

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paying and billing entity nodes, and one or more processors in communication with said one or more memories and with said one or more network interfaces, *(see col. 4, lines 3-5, line 12)*

wherein, when said one or more network interfaces receives a request from one of said billing entity nodes for payment for completed performance of one or more of said tasks by said associated billing entity, if completed performance of said one or more tasks is verified by said authorizing entity said one or more processors prepares a bill for said associated billing entity for transmission to said at least one paying entity node requesting payment by the at least one paying entity to said associated billing entity for completed performance of said one or more tasks. *(see col. 4, lines 3-5, line 12)*

2. In reference to Applicant's dependent claims, claims 2, 5-13, 15-28, 30-39, 41, 47, 49-51, 53-56, 58, 60-65, 70-75, 78, 80-87, 89 and 91-94, Crooks discloses a method, system and medium for direct presentment and payment of bills, comprising: storing project identification information, billing and paying identification information, and that the billing entity requesting payment is the billing entity associated with the task (col. 2, line 60 - col. 3, line 21; col. 4, line 4+);

3. project is a construction project (col. 4, line 4+);

4. paying entity is a financial institution or a building contractor (col. 4, line 4+);

5. remittance instructions to the paying node (col. 4, line 4+);

6. storing amounts owed and paid (col. 2, line 60 - col. 3, line 21; col. 4, line 4+); 7.

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billing task request verification (col. 4, line 4 - col. 5, line 67); 8. calculating retention amounts (col. 4, line 4+);

9. only one billing entity provides task (col. 4, line 4+); 10. bill includes only entities tasks (col. 5, line 1+); 11. storing costs (col. 2, line 60 - col. 3, line 20); 12. identifying duplicate tasks (col. 5, line 40+);

13. comparing billed cost to stored cost (col. 5, line 40+);

14. matching billed and stored costs (col. 5, line 40+);

15. remittance instructions transmitted to paying node (col. 4, line 4+);

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- 16. printing a check to pay the bill (col. 6, line 17+);
- 17. instructing a bank to pay the bill (col. 6, line 17+);
- 18. bills are authorized and status is checked in project (col. 5, line 40+); 19. bills are adjusted by authorizing agent (col. 5, line 40+);
- 20. bill created after approval by authorizing agent (col. 5, line 40+);
- 21. authorizing agent approves tasks were done (col. 5, line 40+);
- 22. authorizing requests are created for authorizing agent (col. 5, line 40+); 23. lists of tasks are identified for the paying entity (col. 5, line 1+);
- 24. tasks that have been billed for are identified (col. 4, line 4+);
- 25. tasks are identified by the billing entities (col. 4, line 4+);
- 26. discount amounts are calculated (col. 4, line 4 - col. 5, line 67);
- 27. fee amounts are applied to the bill (col. 4, line 4 - col. 5, line 67).

Response to Arguments

As noted, Applicant attempts to overcome the rejection of claim 1 by amending claim 1 to include contractual terms. Since contractual terms are not patentable subject matter, the claim is rejected under 101, and under 102 in regards to the exclusion of contractual terms.

Regarding claim 7, the Applicant asserts that Crooks does not verify a task, by identifying a task in a list of tasks for verification. The Office respectfully disagrees. As the Applicant has indicated, Crooks teaches an audit process whereby information is checked against pre-determined parameters. This is a task that is being verified against a list of tasks which have pre-determined parameters.

Regarding claim 8, a new rejection has been provided below.

Regarding claim 10, the Applicant asserts that Crooks does not disclose a bill that only includes tasks which are uniquely associated with only one billing entity. Column 4 indicates specific information about a database that includes billing entities, which inherently includes unique information about a billing entity. Further, as this indicates this would allow one to associate tasks/services associated with a billing entity.

Regarding claim 12, and similarly claims 50 and 55, the Applicant asserts that Crooks does not teach duplicate bills. The Office agrees and has provided a new rejection below.

Regarding claim 26, the Applicant asserts that Crooks does not teach an independent authorizing entity. According to col. 6, lines 1-25, there are a plurality of billing entities that are used in the system which means that the system is run as an independent entity. However, claim 26 does not disclose that an entity determines that a project has been completed before a bill is made. Similarly regarding claim 28, Crooks does not teach the verification that a task has been performed. These rejections are withdrawn and new rejections for claims 26, 28, and 63 and 65 are given below.

Regarding claim 27, the Applicant asserts that Crooks does not teach a bill adjustment. As indicated in col. 5, lines 14-30, if a bill does not meet certain parameters, then the bill can be changed.

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

5. Claims 31-33 and 92-94 with their related claims are rejected under 35 U.S.C. 103(a) as being unpatentable over Crooks in view of Official Notice. The Examiner takes Official Notice that the following are old and well-known in the bill processing field. As noted in Crooks, bills can be audited and "subjected to remedial processing measures, either manually or electronically, to ensure that billing information is accurate." The following dependent claims are aspects of billing that are old and well-known in the art to add, identify and include with a billing statement: 28. Claims release for mechanics liens are created
29. an unconditional claims release or final release is created

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30. billing report identified mechanics liens that are released

31. bill includes definition of full completion or partial completion; 32. bill includes a progress billing report. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the method, system and medium for direct presentment and payment of bills of Crooks to include the above mentioned items, as it would make the billing statements more complete and thereby increasing company revenue and client satisfaction.

6. Claim 8 is rejected under 35 USC 103(a) as being unpatentable over Crooks in view of Boscoe (US Pat. No. 5191522).

Boscoe, not Crooks, teaches withholding a retention amount (see col. 27, lines 10-15).

Thus it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Crooks with Boscoe. Motivation to modify exists because withholding amounts provides better billing methods for the billing entity.

7. Claims 12, 50 and 55 are rejected under 35 USC 103(a) as being unpatentable over Crooks in view of Tran (US Pat. No. 5,991,742).

Tran, not Crooks, teaches identifying duplicate tasks. (see col. 11 lines 15-25, 40-50).

Thus it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Crooks with Tran. Motivation to modify exists because discovering duplicate tasks reduces improper billing which reduces costs.

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8. Claims 26, 28, 63 and 65 are rejected under 35 USC 103(a) as being unpatentable over Crooks in view of Gabbita (US Pat. No. 6,349,238).

Gabbita, not Crooks, teaches determining that a task is completed before a bill is authorized. (See col. 2, lines 1-5 and 42-52).

Thus it would have been obvious to one of ordinary skill in the art at the time of the invention to modify Crooks with Gabbita. Motivation to modify exists because proper billing for only tasks completed provided a more efficient workflow.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to ABDUL BASIT whose telephone number is 571-272-5506. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

ab

/James P Trammell/
Supervisory Patent Examiner, Art Unit 3694